

REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.hawaii.gov/hirec

MINUTES OF MEETING

The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Tuesday, August 31, 2004

Time: 9:00 a.m.

Place: Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Present: John Ohama, Chair, Broker/Honolulu Commissioner
Mitchell Imanaka, Vice Chair, Broker/Honolulu Commissioner
Louis Abrams, Broker/Kauai Commissioner
Carol Ball, Broker/Maui Commissioner
Michele Sunahara Loudermilk, Public/Honolulu Commissioner
Trudy Nishihara, Broker/Honolulu Commissioner
Iris Okawa, Public/Honolulu Commissioner
Vern Yamanaka, Broker/Hawaii Commissioner

Calvin Kimura, Supervising Executive Officer
Neil Fujitani, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Lorene Kimura, Real Estate Specialist
Ryan Yamashiro, Real Estate Specialist
Cheryl Leong, Condominium Specialist
David Grupen, Condominium Specialist
Shari Wong, Deputy Attorney General (Late Arrival)
Irene Kotaka, Secretary

Nicki Ann Thompson, Hawaii Association of REALTORS

Absent: Kathleen Kagawa, Broker/Honolulu Commissioner

Call to Order: The Chair called the meeting to order at 9:00 a.m., at which time quorum was established.

Chair's Report: No Chair's report was presented.

Executive Officer's Report: **Announcements, Introductions, Correspondence and Additional Distribution**

Addition to the Agenda

Upon a motion by Commissioner Okawa, seconded by Commissioner Nishihara, it was voted on and unanimously carried to add the following items to the agenda:

7. Chapter 91, Hawaii Revised Statutes, Adjudicatory Matters – In the Matter of the Application for a Real Estate Salesperson's License of Eric Maher, REC-LIC-2004-1

Minutes of Previous Meeting

Upon a motion by Commissioner Imanaka, seconded by Commissioner Abrams, it was voted on and unanimously carried to accept the minutes of the July 30, 2004 Real Estate Commission meeting.

The SEO reminded those present that the Committee meetings for the month of September 2004 will be held on the island of Kauai. The Laws and Rules Review Committee meeting will convene at 9:30 a.m. The Education Review Committee meeting will convene after the adjournment of the Laws and Rules Review Committee and the Condominium Review Committee meeting will convene after the adjournment of the Education Review Committee meeting. The meetings will be held in Conference Rooms A, B and C of the State Office Building, located at 3060 Eiwa Street, Lihue, Kauai.

Commissioners Yamanaka and Ball are unable to attend the September 8, 2004 meetings in Kauai.

Committee Reports:

Laws and Rules Review Committee

Upon a motion by Commissioner Okawa, seconded by Commissioner Abrams, it was voted on and unanimously carried to accept the report of the August 11, 2004 Laws and Rules Review Committee meeting as follows:

1. Minutes of July 14, 2004 – **Accept**
2. Program of Work, FY05
 - a. Neighbor Island Outreach – The next neighbor island outreach is scheduled for September 8, 2004, for the island of Kauai. The meetings will be held in Conference Rooms A, B and C of the State Office Building, located at 3060 Eiwa Street, Lihue, Kauai.
 - b. Application, Processing and Forms – Continue the May 26, 2000 Commission approved procedure on Change Forms received after ten days from the date of the change.
3. Budget and Finance Report – Real Estate Recovery Fund – March 31, 2004 - **Recommend acceptance** of the Real Estate Recovery Fund Report, dated June 30, 2004.
4. Next Meeting: Wednesday, September 8, 2004
9:30 a.m.
Conference Rooms A, B and C
State Office Building
3060 Eiwa Street
Lihue, Kauai

Education Review Committee

Upon a motion by Commissioner Yamanaka, seconded by Commissioner Abrams, it was voted on and unanimously carried to accept the report of the August 11, 2004 Education Review Committee meeting as follows:

1. Minutes of July 14, 2004 – **Accept.**

2. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors
 - a. Course – “Property Tax in Hawaii,” Author/Owner/Provider: Lorman Business Center, Inc.; Course Category: Other (Property Tax); Clock Hours: 3 – **Recommend approval**
 - b. Course – “Advanced Topics in Hawaii Real Estate Law;” Author/Owner/Provider: Lorman Business Center, Inc.; Course Category: Real Estate Law; Clock Hours: 6 – **Recommend approval**
 - c. Provider – BOMA – Hawaii; Administrator: Gaylene Nako, BOMA Association Executive – **Recommend approval**
 - d. National Course – “Effective Negotiations: Creating Maximum Advantage;” Author/Owner: Thomas Gille, BOMA; Provider: BOMA – Hawaii (upon approval); Course Category: Other; Clock Hours: 3 – **Recommend approval**
3. Prelicensing Education Administration, Curriculum, Schools, Instructors, and Equivalency – Broker Curriculum and Resources – **Recommend approval** of Request for Proposals (RFP) as amended and to also include the following specific items:
 - a. Provider may propose specific modules in the broker’s curriculum to develop in an online format, not necessarily including all modules in the curriculum;
 - b. Provider will detail a cost breakdown for each module. Commission will review the cost breakdown for each module and will determine which specific modules will be developed in the online format;
 - c. Provider will include estimated start-up and development costs, if any, for the online broker’s curriculum as a separate item from the cost of each module;
 - d. The Request for Proposals will include the State of Hawaii general conditions for small purchase contracts for non-professional services as attachment 3; and
 - e. Item 3, under Terms and Conditions, delete “. . . and shall be less than \$25,000.00.” Item 3 will read, “PROVIDER understands that this solicitation is under the Small Purchase Contract guidelines of the State of Hawaii.”
4. Budget and Finance Report – Real Estate Education Fund Report of June 30, 2004 – **Accept.**
5. Next Meeting: Wednesday, September 8, 2004
Upon adjournment of the Laws and Rules Review Committee Meeting, which convenes at 9:30 a.m.
Conference Rooms A, B and C
State Office Building
3060 Eiwa Street
Lihue, Kauai

The Deputy Attorney General arrived.

Condominium Review Committee

Upon a motion by Commissioner Kagawa, seconded by Commissioner Nishihara, it was voted on and unanimously carried to accept the report of the August 11, 2004 Condominium Review Committee meeting as follows:

1. Minutes of July 14, 2004 Meeting – **Accept.**
2. Condominium Governance and Management
AOAO Registrations – 2003-2005 Biennium Registration – July 2004 –
Recommend approval to ratify effective dates for the AOAO 2003-2005
biennium registrations received through July 31, 2004.
3. CPR Registration, Developer's Public Reports – July 2004 –
Recommend approval to ratify issuance of effective dates of the
developer's public reports and extensions issued for the months of May
and July 2004.
4. Budget and Finance Report – **Recommend approval** to accept the pro
forma report dated August 6, 2004, for the period ending June 30, 2004
subject to audit.
5. Neighbor Island Outreach – Specialists' Office for the Day,
September 8, 2004, Lihue, Kauai.
7. Next Meeting: Wednesday, September 8, 2004
Conference Rooms A, B and C
State Office Building
3060 Eiwa Street
Lihue, Kauai

Education Review Committee

Chair Ohama asked staff to report on the test development workshops that were held last week.

Specialist Kimura reported that test development workshops were held on August 25 to 27, 2004. Chair Ohama, Commissioner Imanaka and Commissioner Nishihara, the SEO, EO and all Real Estate Specialists attended the workshops. Forty questions each were generated for the real estate salespersons and the real estate broker's licensing examination. Promissor is targeting introducing the questions in January 2005. Questions were completed for the real estate salesperson's licensing examination. The question for the real estate broker's licensing examination still needs to be finalized.

Senior Specialist Fujimura reported that the scenario questions are still pending.

Commissioner Nishihara reported that the sessions involving the real estate broker's exam were lively. There was a good group of brokers and the Deputy Attorney General also was there to guide them through the process. She also helped them to determine what laws needed to be updated. She stated that there was a very good mix of people present. The scenario questions needs to be worked on and it will be forwarded on to Promissor. The real estate broker's examination will be incorporating all of the changes that were made to the broker's curriculum.

Licensing and Registration – Ratification:

Upon a motion by Commissioner Imanaka, seconded by Commissioner Okawa, it was voted on and unanimously carried to approve the ratification of the attached list.

Licensing – Applications:

Charles R. Rearden

Charles R. Rearden was present to answer any questions the Commission may have regarding his application for a real estate salesperson's license. Mr. Rearden was asked if he wished to have his application considered in executive session. He answered, "Yes."

Executive
Session:

Upon a motion by Commissioner Yamanaka, seconded by Commissioner Abrams, it was voted on and unanimously carried to enter into executive session, pursuant to Section 92-5(a)(1), HRS, "To consider and evaluate personal information relating to individuals applying for professional or vocational licenses cited in section 26-9 or both".

Upon a motion by Commissioner Imanaka, seconded by Commissioner Okawa, it was voted on and unanimously carried to move out of executive session.

Licensing –
Applications:

Kenneth Michael Hitzeman

Kenneth Michael Hitzeman was present to answer any questions the Commission may have regarding his application for a real estate broker's license. Mr. Hitzeman was asked if he wished to have his application considered in executive session. He declined the offer.

Senior Specialist Fujimura reported that she had been informed by a RICO Investigator that Mr. Hitzeman has been removed as a respondent in one of the cases. The other case is still pending.

Mr. Hitzeman was asked if his license has been continuously active. He answered, "Yes." He has been with his principal broker for two and a half years.

Mr. Hitzeman was asked if he had practiced real estate during the time that his license was forfeited. Mr. Hitzeman stated that he did not know that his license was forfeited. When he found out, he stopped conducting real estate and reactivated his license. His license was forfeited because he did not renew his license. His license forfeiture was not brought to attention by his broker. He did not find out that his license was forfeited until he took his continuing education classes.

Commissioner Ball asked Mr. Hitzeman if the house was sold. Mr. Hitzeman stated that the Milnes' house was listed. He brought a buyer by and the buyer was represented by another broker/Realtor. The property sold at the full price and at closing, the Milnes decided not to sell. They declined to sign the documents. The buyers wanted to sign but couldn't. The property is still not sold.

Mr. Hitzeman was asked if it was his intention to be a principal broker of a brokerage firm. He answered, "Yes." Mr. Hitzeman was reminded that it is every licensee's responsibility to ensure that they are licensed and that the licensees associated under the principal broker are licensed.

Commissioner Okawa stated that she appreciated Mr. Hitzeman's appearance before the Commission. She also noted that there is a tremendous amount of responsibility placed upon a broker, especially a principal broker.

Upon a motion by Commissioner Imanaka, seconded by Commissioner Okawa, it was voted on and unanimously carried to take this matter under advisement.

Charles Rearden

Mr. Rearden requested permission to clarify a comment that he had given. He stated that the last question that the Commission had asked him was if there was

ever a prior time when the situation occurred. He had answered, "No." That answer was correct. He also said that someone else had asked him if he had done anything to facilitate the sale. Mr. Rearden stated that in the sale of Lot 57, he helped with the paperwork and got the forms together. He worked with a real estate attorney in Kona in getting the paperwork, the sales contract and disclosure statement, together. He forwarded the forms to Mr. Elkins in Colorado. The buyer was represented by another licensee.

When asked if Mr. Rearden could have been considered a caretaker, Mr. Rearden stated that he had seen that exception but he didn't want to go there. The complaint was not filed by the consumer.

Mr. Rearden was informed that a caretaker cannot offer to sell property.

Chair's Report:

Ms. Thompson reported that they are looking forward to the Pacific Rim Conference. They are anticipating an attendance of approximately 600 to 650.

Ms. Thompson also reported that at the National Association of REALTORS' Conference that was held recently in Chicago, Illinois, they are forecasting a strong economy for the next year.

She also reported that HAR's Agency Task Force will be going to the HAR's Executive Committee to request clarification on some issues.

Executive Session:

Upon a motion by Commissioner Imanaka, seconded by Commissioner Okawa, it was voted on and unanimously carried to enter into executive session, pursuant to Section 92-5(a)(1), HRS, "To consider and evaluate personal information relating to individuals applying for professional or vocational licenses cited in section 26-9 or both".

Upon a motion by Commissioner Imanaka, seconded by Commissioner Okawa, it was voted on and unanimously carried to move out of executive session.

Chapter 91, HRS, Adjudicatory Matters:

In the Matter of the Application for a Real Estate Salesperson's License of Eric Maher; REC-LIC-2004-1

Upon a motion by Commissioner Okawa, seconded by Commissioner Yamanaka, it was voted on and unanimously carried to approve the Hearings Officer's Findings of Fact, Conclusions of Law and Recommended Order.

Licensing – Applications:

Charles R. Rearden

After a review of the information presented by the applicant, Commissioner Okawa moved to approve the real estate salesperson's license application of Charles R. Rearden. Commissioner Nishihara seconded the motion. The motion was voted on and unanimously carried.

Kenneth Michael Hitzeman

After a review of the information presented by the applicant, Commissioner Imanaka moved to deny the real estate broker's license application of Kenneth Michael Hitzeman, pursuant to §436B-8(a)(3) and §436B-19(1) (8) (12), HRS. Commissioner Yamanaka seconded the motion. Commissioners Ohama, Imanaka, Okawa, Yamanaka, Nishihara, Ball and

Loudermilk voted in favor of the motion. Commissioner Abrams voted against the motion. The motion was carried.

Christopher Charles Cleveland

After a review of the information submitted by the applicant, Commissioner Yamanaka moved to deny Christopher Charles Cleveland's request for a prelicensing education equivalency, pursuant to §§467-8(3) and 467-20, HRS, and §16-99-25 and -37, HAR. Commissioner Imanaka seconded the motion. The motion was voted on and unanimously carried.

Recodification
Report and
Legislation:

Commissioner Imanaka reported that the Blue Ribbon Advisory Committee has reconvened to continue discussion on the recodification of Chapter 514A, HRS.

Next Meeting:

Friday, September 24, 2004
9:00 a.m.
Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Adjournment:

With no further business to discuss, the Chair adjourned the meeting at 9:50 a.m.

Reviewed and approved by:

Calvin Kimura
Calvin Kimura
Supervising Executive Officer

September 24, 2004
Date

[X] Approved as circulated.

[] Approved with corrections; see minutes of _____ meeting.

APPROVED APPLICATIONS FOR REAL ESTATE
 REAL ESTATE COMMISSION MEETING ON AUGUST 31, 2004

<u>Brokers – Corporations and Partnerships</u>	<u>Effective Date</u>
Arquette Properties, Inc. Carolyn E. Arquette, PB	07/20/04
Mitsuono Corp. Mitsuo Kishi, PB	08/03/04

<u>Brokers – Limited Liability Companies and Partnerships</u>	<u>Effective Date</u>
Hawaii Realty Associated, LLC Clare Ventura, PB	07/19/04
Manamana Realty, LLC Sandra T. Polhemus, PB	07/28/04
Fasi Realty Advisors, LLC Salvador A. Fasi, PB	08/03/04
Elegant Hideaways LLC Wilmer C. Morris, PB	08/05/04
Villa Management, LLC Clifton C. Cassity, PB	08/04/04
Sakoda Realty, LLC Keith E.H. Sakoda, PB	08/11/04
Terra Pacific Realty LLC Cheryl Vas-Johnston, PB	08/18/04

<u>Brokers – Sole Proprietor</u>	<u>Effective Date</u>
June J. Delany	07/02/04
Reginald D. Manaku	07/13/04
Judy Y. Liu	07/15/04
Wayne S. Tagami	07/19/04
Dee Marumoto	07/30/04
Ricky Mae Toro, CoCo Palm Realty	08/02/04
Clorinda K.S.M. Conching, Clorinda Conching Realty	08/03/04
Gary Sparks	08/18/04

<u>Trade Name</u>	<u>Effective Date</u>
Activities 4 less, Inc., Real Estate-4-Less	07/21/04

<u>Branch Office</u>	<u>Effective Date</u>
West Oahu Realty Inc. Guy K. Tamashiro, PB Earle F. Shiroma, BIC	07/06/04

<u>Equivalency to Uniform Section of Examination Certificate</u>	<u>Expiration Date</u>
Denise Michelle May Nichols	07/22/06
Norman I. Tatch	07/22/06
Ron B. McKay	07/22/06
Mark Lynn Hanes	07/22/06
Martin E. Smith	07/22/06
James Patrick Foley	07/23/06

<u>Equivalency to Uniform Section of Examination Certificate</u>	<u>Expiration Date</u>
James Patrick Foley	07/23/06
Lee Lois Foley	07/23/06
Donna Lee Piazza	07/23/06
Leilani Ann Davis	07/28/06
Ruthanne Darla Timmerman	07/29/06
Fred William Levy	07/29/06
Thomas K. Richmond	08/02/06
Scott Laurance Fothergill	08/04/06
Timothy Kalama Powers	08/05/06
Philip Douglas Bramsen	08/05/06
Richard Lee Peters	08/05/06
Michael A. Willis	08/06/06
Rosalynd Underhill	08/06/06
Vivian Rose Olen	08/06/06
Michelle Edwards	08/09/06
Patricia Ann Lanser	08/10/06
Jack Richard Alexander	08/12/06
Kristi K. Chapman	08/12/06
T. Roger Peay	08/13/06
Reine Frances Baker	08/16/06
Kathy Rae Kelly	08/17/06
Kent R.N. Whitney	08/17/06
Keith Randolph Lipscomb	08/17/06
Lyle E. Ensminger	08/17/06
Jennifer S. Richardson	08/18/06
Richard William Denman	08/18/06
Robert E. Membery	08/19/06
Lisa Karen Paglia	08/19/06
John C. Henry	08/23/06
Christopher A. Cragnotti	08/23/06
Dave G. Gravelle	08/23/06

<u>Educational Equivalency Certificate</u>	<u>Expiration Date</u>
Denise Michelle May Nichols	07/22/06
Norman I. Tatch	07/22/06
Ron B. McKay	07/22/06
Mark Lynn Hanes	07/22/06
Martin E. Smith	07/22/06
James Patrick Foley	07/23/06
Lee Lois Foley	07/23/06
Heather K. L. Conahan	07/23/06
Daniel Barry Fosso	07/23/06
Patricia Ann Lanser	07/26/06
Bruce Russell Cherry	07/27/06
Leilani Ann Davis	07/28/06
Harvey A. Gand	07/28/06
Ruthanne Darla Timmerman	07/29/06
Fred William Levy	07/29/06
Heidi Brenneman Dowd	07/29/06
Thomas K. Richmond	08/02/06
Scott Laurance Fothergill	08/04/06
Gladys Lorraine Green	08/04/06
Timothy Kalama Powers	08/05/06

Educational Equivalency Certificate

	<u>Expiration Date</u>
Philip Douglas Bramsen	08/05/06
Richard Lee Peters	08/05/06
Michael A. Willis	08/06/06
Rosalynd Underhill	08/06/06
Emily Su-lan Reber Porter	08/06/06
Vivian Rose Olen	08/06/06
Yong il Chu	08/06/06
Michelle Edwards	08/09/06
Lance H. Soma	08/09/06
Randol Leach	08/09/06
Li-Hsin Huang	08/12/06
Jeffery Allan Oyster	08/12/06
Elizabeth Somerville Purpura	08/12/06
Jack Richard Alexander	08/12/06
Kristi K. Chapman	08/12/06
T. Roger Peay	08/13/06
Judy S. J. Wu	08/16/06
Reine Frances Baker	08/16/06
Kathy Rae Kelly	08/17/06
Larry R. Verble	08/17/06
Kent R.N. Whitney	08/17/06
Keith Randolph Lipscomb	08/17/06
Lyle E. Ensminger	08/17/06
Jennifer S. Richardson	08/18/06
Mariam Linn Early	08/18/06
Richard William Denman	08/18/06
Chentelle S. Ramos	08/18/06
Robert E. Membery	08/19/06
Lisa Karen Paglia	08/19/06
Flordeliza Aquino Sylva	08/19/06
John C. Henry	08/23/06
Christopher A. Cragnotti	08/23/06
Glenn Iniba	08/23/06
David G. Gravelle	08/23/06

Real Estate Broker Experience Certificate

	<u>Expiration Date</u>
Denise Michelle May Nichols	07/22/06
Norman I. Tatch	07/22/06
Martin E. Smith	07/22/06
David A. Prentiss	07/22/06
Eveline L. Eijvergard	07/23/06
Heather K. L. Conahan	07/23/06
Patricia Ann Lanser	07/26/06
John T. Baessler	07/27/06
Tam Lam	07/28/06
Charlotte C. Barefoot	07/28/06
Marty D. Kimball	07/28/06
Dixie Arleen Daniel	07/29/06
Thomas K. Richmond	08/02/06
Melody Sachie Sunahara	08/03/06
Chieko Madenokoji	08/04/06
Timothy Kalama Powers	08/05/06
Philip Douglas Bramsen	08/05/06

Real Estate Broker Experience Certificate

	<u>Expiration Date</u>
Michael A. Willis	08/06/06
Gail J. Jamison	08/06/06
Barbara Marie Smith	08/06/06
George Robert Coates	08/06/06
Michael S. Well	08/06/06
Frederick W. Gregg, Jr.	08/06/06
Mika Yamaguchi	08/06/06
Jack Richard Alexander	08/12/06
Kristi K. Chapman	08/12/06
T. Roger Peay	08/13/06
Judy S. J. Wu	08/16/06
Samantha C. Villanueva	08/16/06
Kent R.N. Whitney	08/17/06
Jennifer S. Richardson	08/18/06
Mariam Linn Early	08/18/06
Dolores A. Kole	08/18/06
Lorraine L. Patch	08/18/06
Terisita F. Kaluahine	08/18/06
Silvia Sugihara	08/18/06
Richard William Denman	08/18/06
Robert E. Membery	08/19/06
Judith Yoshiko Tanouye	08/19/06
David G. Gravelle	08/23/06

Continuing Education Equivalency

	<u>Effective Date</u>
John William Stallings	08/06/04

Real Estate Broker (upgrade)

	<u>Effective Date</u>
Michael W. Chow	07/19/04
Linda Johnson	07/21/04
Kerstin Exter	07/21/04
Mineko Szkotak	07/26/04
Shannon N. Robinson	07/27/04
Robert H. Dein	07/29/04
Judy Tawab	07/28/04
Ricky Mae Toro	08/02/04
Michelle J. Matusek	08/02/04
Marc Tamei Kumai	08/02/04
Kenneth C. G. Lum	08/04/04
Burt Anderson	08/05/04
Judy M. Lee	08/06/04
Gary D. Ross	07/27/04
Teri J. Quon	08/13/04
Gary R. Sparks	08/18/04

Restoration – Real Estate Broker

	<u>Effective Date</u>
Alden K. Yamane	07/21/04

Restoration – Real Estate Salesperson

	<u>Effective Date</u>
Charles F. Ellis	07/19/04
Kitty C. Lee	07/09/04
Mary E. Jones	07/20/04
Denny Clarence Eckenrode	08/10/04
Geraldine B. Digmon	08/12/04